GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:510
ANSWERED ON:24.02.2009
EXPORT OF KHADI AND VILLAGE INDUSTRIES PRODUCTS
Jain Shri Pusp

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Government proposes to promote export of the products manufactured in the villages by conferring the status of Export Promotion Council to the Khadi and Village Industries Commission (KVIC);

(b) if so, the details thereof;

(c) whether new jobs are likely to be created for the women and rural people as a result thereof; and

(d) if so, the details thereof?

Answer

MINISTER FOR MICRO, SMALL AND MEDIUM ENTERPRISES(SHRI MAHABIR PRASAD)

(a) & (b): In order to streamline and increase the export of khadi and villages industry (KVI) products, the Government (in the Ministry of Commerce and Industry, Department of Commerce) conveyed the approval of the competent authority granting the deemed Export Promotion Council (EPC) status to the Khadi and Village Industries Commission (KVIC) in December, 2006.KVI products, under the fold of KVIC − EPC, are promoted through the Market Development Assistance (MDA) Scheme implemented by the Government (in the Ministry of Commerce and Industry, Department of Commerce). 763 units/institutions have become members of KVIC − EPC till January 2009. Action plan has been prepared by KVIC to participate in international exhibitions / Trade fairs to facilitate participation of khadi institutions/village industry units by providing the following incentives:

(i) 75 per cent of the air fare towards travel by economy class or train fare, as the case may be to one representative each of the participating units of the general category while 100 per cent of such airfare is provided to one representative each of the participating units belonging to women entrepreneurs, SC/ST entrepreneurs and entrepreneurs from North Eastern Region;

(ii) up to 50 per cent of the space rent actually paid is reimbursed.In case of women entrepreneurs, SC/ST entrepreneurs and entrepreneurs from North Eastern Region, etc., reimbursement of space rent is 100 per cent,

(iii) assistance for space rent and travel expenses for each participating entrepreneur/unit would be limited to Rs. 1.25 lakh; and

(iv) all exporting units/institutions are eligible to get 5 per cent export incentives on 'Free-on-board (FOB)' value of the items exported directly by them.

(c) & (d): Since the KVIC − EPC is in its initial stage of operation,jobs/employment opportunities likely to be generated for women and rural people specifically attributable to deemed EPC status of KVIC cannot be ascertained in a definitive manner. This status is however expected to have positive effect also on employment generation in KVI sector especially as exports of KVI products have shown an increasing trend and grown from Rs. 53.73 crore in 2006-07 to Rs.91.93 crore during 2007-08.